

STATE ELECTED OFFICIALS HEALTH PLAN

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Eric K. Hutchings

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill modifies the Public Employees' Benefit and Insurance Program Act by specifying an optional health plan that shall be offered to state elected officials.

Highlighted Provisions:

This bill:

- ▶ defines state elected officials;
- ▶ provides that beginning January 1, 2007, the Public Employees' Benefit and Insurance Program (PEHP), for a state elected official only, shall offer an optional high deductible health plan with a federally qualified health savings account; and
- ▶ requires the high deductible health plan to include a health savings account for each covered individual with certain contributions made by the employer.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

49-20-410, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **49-20-410** is enacted to read:

49-20-410. High deductible health plan for state elected officials -- Health savings account -- Contributions.

(1) As used in this section, "state elected official" means:

(a) the governor;

(b) the lieutenant governor;

(c) the attorney general;

(d) the state treasurer;

(e) the state auditor; and

(f) a member of the Legislature.

(2) (a) Beginning January 1, 2007, in addition to other employee benefit plans offered under this part, for a state elected official only, the program shall offer a high deductible health plan with a federally qualified health savings account as an optional health plan.

(b) The provisions and limitations of the plan shall be determined by the program in accordance with federal requirements and limitations.

(3) (a) The program may not allow a state elected official to change from the high deductible health plan to another health plan offered for state elected officials more frequently than every three years.

(b) The program shall offer the federally qualified health savings account for medical expenses for each covered individual in the high deductible health plan under this section.

(4) (a) Contributions to the health savings account shall be made by the state.

(b) The amount of the contributions under Subsection (3)(a) shall be determined annually by the program, after consultation with the Department of Human Resource Management and the Governor's Office of Planning and Budget, based on:

(i) federal requirements and limitations; and

(ii) the actuarial value of the risk-adjusted high deductible to the program.

(c) A state elected official may also make contributions to the health savings account.

Legislative Review Note

as of 1-16-06 8:57 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note**State Elected Officials Health Plan***31-Jan-06***Bill Number HB0157***12:06 PM*

State Impact

It is assumed that the new health plan that this bill requires Public Employees Health Program (PEHP) to offer will be designed to be cost-neutral to the State.

Public Employees Health Program will incur costs during the first year following enactment of this bill for computer programming, on-line and printed consumer information, and general administration of the new health plan. Thereafter, annual costs for general administration and maintenance of the plan will be covered through the premiums collected. Future premium levels could be affected, depending on PEHP's ability to maintain discounts negotiated on quantity (i.e. shifts in enrollment from traditional plan offerings to the new plan may erode these discounts).

Individual and Business Impact

Any fiscal impact will be dependent on the options chosen by individual participants.

Office of the Legislative Fiscal Analyst